

Office of Thrift Supervision
Proposed 1998 Thrift Financial Report
Federal Register Notice 8/13/97

After reviewing its current supervisory and examination needs, the OTS proposes to make certain changes to the Thrift Financial Report (TFR) effective with the March 31, 1998, report. The OTS has limited the proposed changes for 1998 to minimize the burden to the savings and loan industry. Overall, the changes will reduce the estimated burden associated with the TFR. A description of the proposed changes follows:

- **Add a question in Schedule SQ, as follows:**

"Does the reporting association have a Subchapter S election in effect for federal income tax purposes for the current tax year?"

This data item will provide a means of identifying associations electing Subchapter S status and also will provide for the future use of a Subchapter S peer group. Because this is a yes/no question and it is anticipated that it will be answered "yes" by less than 20% of the industry, it is not projected to add any additional burden to the industry.

- **Modify Schedule CCR**

The revisions will reduce CCR by a net of 7 data items. The worksheet calculation of the tangible capital requirement will be deleted. Additionally, changes will be made to risk-based capital and risk-weighted assets to give institutions with low-level recourse the option of (1) deducting low-level recourse from capital on a dollar-for-dollar basis or (2) converting it to a risk-weighted asset amount.

Four Capital and Prompt Corrective Action (PCA) ratios will be added at the end of the form. These will be generated by the electronic filing software and, therefore, will have no burden associated with them. They will provide instant feed-back to associations as they complete the form and will be recalculated whenever an amendment to CCR is filed. This addition would eliminate the need for running a separate program to calculate these ratios each time amendments are filed.

- **Year 2000 Change**

SQ170 and all date fields in the electronic filing software (with certain exceptions in Schedule CMR) will be expanded to accommodate four digits in the year field. The date fields in Schedule CMR that will not be expanded to four digits are the "Maturity or Fees" column for "Off-Balance-Sheet Positions" (CMR 803, CMR808 . . .) and the analogous column in "Optional Supplemental Reporting for Off-Balance-Sheet Positions" (Column 3).

For further information contact Trudy Reeves, Financial Reporting Division, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552, (202)906-7317.

Office of Thrift Supervision
Proposed 1998 Thrift Financial Report
Schedule CCR – Consolidated Capital Requirement

Page One: Thirteen fields deleted; no new fields.

	<u>Field No.</u>
Tier 1 (Core) Capital Requirement:	
Tier 1 (Core) Capital	
Equity Capital (SC80)	CCR100 (1)
Deduct:	
Investments in and Advances to "Nonincludable" Subsidiaries	CCR105
Goodwill and Other Intangible Assets	CCR115 (2)
Nonqualifying Equity Instruments	CCR120
Disallowed Servicing Assets, Disallowed Deferred Tax Assets, and Other Disallowed Assets	CCR133
Add:	
Unrealized Losses (Gains) on Certain Available-for-Sale Securities (Net of Income Taxes)	CCR102
Qualifying Intangible Assets	CCR220
Minority Interest in Includable Consolidated Subsidiaries	CCR125
Mutual Institution's Nonwithdrawable Deposit Accounts	CCR130
Tier 1 (Core) Capital	CCR20 (1)
Adjusted Total Assets	
Total Assets (SC60)	CCR135 (1)
Deduct:	
Assets of "Nonincludable" Subsidiaries	CCR145
Goodwill and Other Intangible Assets	CCR155 (2)
Disallowed Servicing Assets, Disallowed Deferred Tax Assets, and Other Disallowed Assets	CCR170 (2)
Add:	
Unrealized Losses (Gains) on Certain Available-for-Sale Securities	CCR137
Qualifying Intangible Assets	CCR250 (1)
Adjusted Total Assets	CCR25 (1)
Tier 1 (Core) Capital Requirement	CCR27

(1) These fields will be generated by the electronic filing software.

(2) These fields will be generated with the option available to the report preparer to override, if necessary.

Page 2 of Schedule CCR add a new line (CCR375) as follows:

Allowable Supplementary (Tier 2) Capital

Field No.

CCR35 (1)

Equity Investments and Other Assets Required to be Deducted
Low-Level Recourse Deduction

CCR370

CCR375

LLR amount that institutions elect to deduct from total capital on a dollar-for-dollar basis.

Capital Reduction for Interest-rate Risk (IRR) Exposure

CCR380

Total Risk-Based Capital

CCR39 (1)

Page 3 of Schedule CCR: Delete lines 65, 70 and 90 and add CCR58, CCR62, CCR75, and CCR78 as follows:

Assets to Risk-Weight (420 + 455 + 485 + 510)

CCR58 (1)

Low-Level Recourse Assets

CCR62

LLR amt. multiplied by 12.5 for institutions electing to convert LLR capital charge to a risk-weighted asset amt.

Subtotal Risk-Weighted Assets (40 + 45 + 50 + 55 + 62)

CCR75 (1)

Excess Allowances for Loan and Lease Losses

CCR530

Total Risk-Weighted Assets

CCR78 (1)

Risk-Based Capital Requirement

CCR80 (1)

CCR78 * 8%

New data fields to be generated at the end of Schedule CCR by the electronic filing software:

Capital and Prompt Corrective Action Ratios:

Generated as follows:

Tier 1 Leverage Capital Ratio

CCR810 (3)

(Tier 1 Capital ÷ Adjusted Total Assets)

[CCR20 ÷ CCR25]

Total Risk-Based Capital Ratio

CCR820 (3)

(Total Risk-Based Capital ÷ Risk-weighted Assets)

[CCR39 ÷ CCR78]

Tier 1 Risk-Based Capital Ratio

CCR830 (3)

(Tier 1 Capital ÷ Risk-weighted Assets)

[CCR20 ÷ CCR78]

Tangible Equity Capital Ratio

CCR840 (3)

((Tangible Capital + Cumulative Perpetual Preferred Stock) ÷ Tangible Assets)

[(CCR20 - CCR 220 + SC812) ÷ (CCR25 - CCR 250)]

(1) These fields will be generated by the electronic filing software.

(3) Specified as a percent (multiplied by 100).

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[Notices]
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DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

Proposed Agency Information Collection Activities

AGENCY: Office of Thrift Supervision, Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995. Currently, the Office of Thrift Supervision within the Department of the Treasury is soliciting comments concerning the Thrift Financial Report.

DATES: Written comments should be received on or before October 14, 1997 to be assured of consideration.

ADDRESSES: Send comments to Manager, Dissemination Branch, Records Management and Information Policy, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552, Attention 1550-0023. These submissions may be hand delivered to 1700 G Street, NW. From 9:00 a.m. to 5:00 p.m. on business days; they may be sent by facsimile transmission to FAX Number (202) 906-7755; or they may be sent by e-mail: public.info@ots.treas.gov. Comments sent by facsimile transmission that are over 25 pages in length should be sent to FAX Number (202) 906-6956. Those commenting by e-mail should include their name and telephone number. Comments will be available for inspection at 1700 G Street, NW., from 9:00 a.m. until 4:00 p.m. on business days.

FOR FURTHER INFORMATION CONTACT: Trudy Reeves, Financial Reporting Division, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, (202) 906-7317. Additional information is also available by requesting Document Number 80053 on OTS's Publifax line at (202) 906-5660 or by calling (202) 906-6078.

SUPPLEMENTARY INFORMATION:

Title: Thrift Financial Report.

OMB Number: 1550-0023.

Form Numbers: OTS 1313, OTS 1568.

Abstract: The information collections described herein will apply to all savings associations. The collections are necessary to monitor and supervise the thrift industry.

Current Actions: After reviewing its current supervisory and examination needs, the OTS is proposing to make certain changes to the Thrift Financial Report (TFR) effective with the March 31, 1998 report. The OTS has limited the proposed changes for 1998 to minimize the burden to the savings and loan industry. Overall, the changes will reduce the estimated burden associated with the TFR. A description of

the proposed changes follows:

<bullet> Add a question in Schedule SQ as follows:

Does the reporting association have a Subchapter S election in effect for federal income tax purposes for the current tax year?

This data item will provide a means of identifying associations electing Subchapter S status. Because this is a yes/no question and it is anticipated that it will be answered ``yes'' by less than 20% of the industry, it is not projected to add any additional burden to the industry.

<bullet> Modify Schedule CCR

The revisions will reduce CCR by approximately 14 data items and add 4 additional data items which will be automatically generated by the electronic filing software provided to all associations by the OTS. The deleted section is the worksheet calculation of the tangible capital requirement.

The four Prompt Corrective Action (PCA) ratios will be added at the end of the form. These will be generated by the electronic filing software and therefore have no burden associated with them. They will provide instant feed-back to associations as they complete the form and would be regenerated whenever an amendment to CCR is filed. This addition would eliminate the need for running a separate program to calculate these ratios each time amendments are filed.

<bullet> Year 2000 Change

SQ170 and all date fields in the electronic filing software will be expanded to accommodate four digits in the year field.

Type of Review: Revision.

Affected Public: Business or For Profit.

Estimated Number of Respondents and Recordkeepers: 1271.

Estimated Time Per Respondent: 33 hours average.

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Estimated Total Annual Burden Hours: 167,772 hours.

Request for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality; (d) ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Dated: August 7, 1997.

Catherine C. M. Teti,

Director, Records Management and Information Policy.

[FR Doc. 97-21338 Filed 8-12-97; 8:45 am]

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